



*United States Attorney  
Southern District of New York*

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**FORMER OFFICERS OF WALTER SCOTT LEV  
SENTENCED BY U.S. IN 'BOILER ROOM' SCAM**

DAVID N. KELLEY, the United States Attorney for the Southern District of New York, announced that MAXIM L. YAMPOLSKY and MICHAEL KORBOV, former officers of Walter, Scott, Lev & Associates, LLP ("WSL"), a now-defunct foreign currency "boiler room," were sentenced today in Manhattan federal court to 87 and 70 months in prison, respectively.

Edward S. Sapienza and Frank W. Schiavone, former employees of WSL, were sentenced on August 20, 2004, and September 10, 2004, to 70 and 57 months in prison, respectively.

YAMPOLSKY, KORBOV, Sapienza AND Schiavone were arrested in November 2003 in connection with a large-scale undercover investigation of criminal activity in the foreign currency or "forex" markets, conducted by the United States Attorney's Office, the FBI, the Commodities Futures Trading Commission and the United States Securities & Exchange Commission. In March 2004, the defendants pled guilty to conspiracy, mail fraud and wire fraud in connection with a scheme to defraud retail

investors out of more than \$6 million.

According to the Indictment as well as the defendants' statements in connection with their guilty pleas, WSL held itself out to the investing public as a trading firm that managed investments in the forex market. In fact, WSL operated as a classic "boiler room," in which WSL sales brokers used high-pressure sales tactics to induce potential clients to invest in the forex market through WSL. According to the Indictment, from 1998 through February 2002, the defendants made, or caused other WSL sales representatives to make, false and fraudulent representations to potential retail customers, including misrepresentations as to: (a) the sales brokers' experience in the forex industry; (b) WSL's history of generating profits for customers through trading in the forex markets; and (c) WSL's use of investors' funds for the purpose of trading in the forex market.

The Indictment alleges that, as a result of these fraudulent sales practices, more than 900 investors entrusted more than a total of \$21 million to WSL between approximately December 1998 and February 2002. According to the charges and the defendants' statements, the defendants simply stole approximately \$6.8 million of investor money by, among other things, direct transfers to the defendants or to accounts controlled thereby. The money was used to pay personal credit

card bills and WSL's expenses.

YAMPOLSKY and KOROBOROV, are both 28 and live in Manhattan.

Sapienza, 29, lives in Manhattan and Schiavone, 29, lives in Howard Beach, Queens.

Mr. KELLEY praised the efforts of the Federal Bureau of Investigation in the investigation of this case and thanked the CFTC for its assistance.

Assistant United States Attorneys DEIRDRE A. MCEVOY and RAYMOND LOHIER are in charge of the prosecution.

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